

REMARKS

I. Introductory Remarks

This is a full and timely response to the outstanding non-final office action mailed November 1, 2010. Claims 1-5 and 7-25 remain pending in this application. Claims 1, 13, and 25 are independent. Claims 1, 13, and 25 have been amended solely for clarity, and no claims have been added canceled by this Amendment.

No new matter is involved with any claim amendment, as support may be found throughout the originally-filed disclosure, as discussed below.

II. Examiner Interview

This Amendment is being submitted to provide points of discussion during an Examiner Interview requested to be scheduled during the week of 14 March 2011. The Undersigned Attorney will contact Examiner Baird and SPE Kyle to arrange a personal interview at the USPTO at a mutually convenient time during that week.

III. Enablement Rejection of Claims 1-5 and 7-25 under 35 U.S.C. § 112, ¶1

Withdrawal of the rejection of claims 1-5 and 7-25 under 35 U.S.C. §112, first paragraph, as allegedly failing to comply with the enablement requirement is requested.

A. "Ensuring Against any Deficiencies in Self-Funding" is Adequately Enabled

The Examiner incorrectly asserts that "[t]he claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or used the invention." *See* Official Action at p. 3, ¶ 7. The Examiner goes on to erroneously allege that "...Applicant uses the term 'said guaranteed transaction self-funding ensuring against any deficiencies in the self-funding'...[and t]he specification does not indicate what the deficiencies in self-funding are, and how to ensure against any deficiencies in the self-funding."

Thus, to summarize, the Examiner appears to have stated the rejection for purported lack of enablement in two parts:

- (1) The Specification allegedly does not indicate what the "deficiencies in self-funding" are; and
- (2) The Specification allegedly does not indicate how to ensure against any deficiencies in the self-funding.

Applicants traverse these mischaracterizations of the claimed subject matter and the related original disclosure. Paragraphs [0040], [0041], and [0046] on pp. 10-12 of Applicants' originally-filed Specification state the following:

In accordance with at least one embodiment of the invention, the mechanism and process provide financial transactions that are "self-funding." That is, ***financial institutions that are part of the chain of institutions processing the financial transaction to enable settlement thereof, are assured that there is sufficient funding available for the transaction.*** This self-funding feature is based, at least in part, on using the Fedwire system (conventionally used for funding domestic credit transfer transactions) for processing international payout transactions. ***By requiring that a Client Bank be a member of the Fedwire system, the Receiver Financial Institution is ensured that the funds necessary to implement the financial transaction are available.*** This is because the Fedwire system requires that members settle transactions initiated using the system at a certain time daily; this, in turn, requires that the bank requesting a financial transaction have the necessary funds associated with that transaction in the Fedwire system at the time of settlement (i.e., on that day). ***Deficiencies are prevented by the U.S. Federal Reserve Bank and their insurance procedures.***

See ¶ [0040] of originally-filed Specification (*emphasis added*).

Likewise, within the chain of processing associated with the financial transaction, ***various relationships are utilized to ensure that the Processing Banks have full faith of immediate payment because the transaction is self-funding.*** Such relationships may include the relationship between the Receiver Financial Institution and its branch or a correspondent bank, the relationship between such a correspondent bank and its correspondent banks and/or branches and/or other financial institutions that participate in any number of funds transfer consortiums, e.g., the Swiss Interbank Clearing funds transfer system.

See ¶ [0041] of originally-filed Specification (*emphasis added*).

Furthermore, it should be understood that the invention may be implemented using some mechanism other than the Fedwire system, provided that such a mechanism ensures guaranteed transaction funding to the Receiver Financial Institution. Additionally, a message format other than MT103, and other than that provided by SWIFT may be used to transmit financial transaction instructions from the Receiver Financial Institution provided that such a message

format is compatible with, i.e., understandable and usable by, both the Receiver Financial Institution and the selected Processing Institution and provided that the format includes sufficient information for the Processing Institution to provide instructions to a Paying Bank.

See ¶ [0046] of originally-filed Specification (*emphasis* added).

Thus, Applicants assert that (1) "deficiencies in self-funding" are taught in and would be understood from Applicants' disclosure (and from the knowledge of a person with skill in the art) to arise in situations in which sufficient funding is not available for the transaction; and (2) such "deficiencies in self-funding" are prevented by using a mechanism that ensures guaranteed transaction funding to the Receiver Financial Institution, for example, by using the U.S. Federal Reserve Bank and their insurance procedures, i.e., by requiring that a Client Bank use and be a member of a domestic settlement funds transfer system under control of a central banking authority, e.g., the Fedwire system. By doing so, the Receiver Financial Institution is guaranteed that the funds necessary to implement the financial transaction are available, and that there is no resulting funding deficiency. Applicant points out again that such guaranteed funding is a completely different concept than a federally insured bank, e.g., insured by the FDIC, for example.

While Applicants assert that the recited phrase "*any* deficiencies in said self-funding..." (*emphasis* added) would be understood by a person with skill in the art to refer to *funding* deficiencies of the self-funding. However, solely in the interests of expediting prosecution of this application, independent claims 1, 13, and 25 have been amended for clarity by deleting the word "any".

Accordingly, withdrawal of the enablement rejection and allowance of claims 1-5 and 7-25 are respectfully requested.

IV. Indefiniteness Rejection of Claims 1-5 and 7-25 under 35 U.S.C. § 112, ¶2

Withdrawal of the rejection of claims 1-5 and 7-25 under 35 U.S.C. §112, second paragraph, as allegedly being indefinite, is requested. Although these claims as previously presented are believed to be clear and definite to a person of ordinary skill in the art, in an effort to expedite prosecution of the application, these claims have been amended in a manner that is

believed to overcome the stated basis for rejection by deleting the word "any" in the variously recited phrase "*any* deficiencies in said self-funding...."

With respect to the Examiner's allegations that the recitations of "guaranteed transaction self-funding" and "said guaranteed transaction self-funding ensuring against any deficiencies in the self-funding" are vague and indefinite, Applicants traverse the Examiner's assertions, and invite the Examiner's attention at least to the portions of Applicants' Specification cited above with respect to the enablement rejection of these terms.

As would be known to a person of ordinary skill in the art, use of a payment system, e.g., Fedwire or other fund transfer system controlled by a central banking authority, ensures or guarantees that the funding is in place and irrevocable by the nature of the guaranteed payment system (i.e., "self-funding"), which thereby ensures that there is no shortage (i.e., deficiency) in the funding required to execute the transaction.

In light of the above, reconsideration and allowance of amended claims 1-5 and 7-25 are respectfully requested.

V. Unpatentability Rejection of Claims 1-3, 5, 7-15 and 17-24 under 35 U.S.C. § 103(a) over Lawrence in View of Barbara

Withdrawal of the rejection of claims 1-3, 5, 7-15 and 17-24 under 35 U.S.C. §103(a) as allegedly being unpatentable over Lawrence (U.S. Patent Application Publication No. 2003/0233319 – "Lawrence") in view of Barbara, et al. (U.S. Patent Application Publication No. 2003/0105710 – "Barbara") is requested. The Examiner has failed to make a *prima facie* case of unpatentability, particularly with respect to the claims as amended.

A. Discussion of the Rejection

1. Lawrence

According to its Abstract, Lawrence is purportedly directed to methods and systems for managing risk related to transfer of funds. The method can be implemented in a computer system and indicating in the computer system that a person is a transaction participant according to the person's status as at least one of: a transaction originator; a transaction intermediary, a

transaction recipient or a transaction beneficiary. Data can be gathered into the computer system generally related to one or more risk variables. Data can also be received relating details of a financial transaction. The received data can be structured to generally relate to one or more risk variables according to risk criteria. One or more reports can be generated which relate to risk due diligence wherein the report includes an indication that the transaction participant is associated with elevated risk and at least some of the structured data.

Lawrence further asserts that it relates to a method and system for facilitating the identification, investigation, assessment and management of legal, regulatory, financial and reputational risks ("Risks"). In particular, Lawrence allegedly relates to a computerized system and method for banks, non-bank financial institutions and any other entity involved in financial transactions to access information compiled on a worldwide basis and relate such information to a risk variable, such as a political or geographic area involved in a wire transfer, wherein the information is conducive to quantifying and managing financial, legal, regulatory and reputational risk associated with the transaction.

Lawrence attempts to respond to various obligations of Financial Institutions that can include those imposed by the Department of the Treasury and the federal banking regulators which adopted suspicious activity report ("SAR") regulations. SAR regulations can require that a Financial Institution file a SAR whenever the institution detects a known or suspected violation of federal law, or a suspicious transaction related to a money laundering activity or a violation of the Bank Secrecy Act (BSA). Such regulations can impose a variety of reporting obligations on a Financial Institution. Perhaps most broadly relevant to the purported invention of Lawrence, the reporting obligations require an institution to report transactions aggregating to \$5,000 that involve potential money laundering or violations if the Financial Institution, knows, suspects, or has reason to suspect that the transaction involves funds from illegal activities, is designed to disguise such funds, has no business or legitimate purpose, or is simply not the sort of transaction in which the particular customer would normally be expected to engage, and the institution knows of no reasonable explanation for the transaction after examining the available facts.

Thus, Federal regulators require that Financial Institutions are subject to significant obligations to "know" their customer and to engage in adequate monitoring of transactions. However, bank personnel generally do not have a mechanism available to provide real time

assistance to assess a risk factor or otherwise qualitatively manage risk. In the event of a problem, it is often difficult to quantify to regulatory bodies, shareholders, newspapers and other interested parties, diligence exercised by the Financial Institution to properly identify and respond to risk factors. Absent a means to quantify good business practices and diligent efforts to contain risk, a Financial Institution may appear to be negligent in some respect.

Lawrence purportedly responds to the above risks by a method and system that allegedly draws upon information gathered globally and which is utilized to assist with risk management and due diligence related to wire transfers. To alleviate problems inherent in the prior art, Lawrence introduces systems and methods to facilitate ascertaining and managing Risks associated with a wire transfer of money. Whatever valid purpose the purported invention of Lawrence serves in mitigating "suspicious activity", Lawrence does not address "guaranteed funding" of a financial transfer of funds, as specifically claimed by Applicant.

Lawrence discloses at paragraph [0023] that a depository institution that maintains a reserve or clearing account with a Federal Reserve Bank *may use* FEDWIRE[®] to send payments to, or receive payments from, other account holders directly. Lawrence goes on in that paragraph to indicate that other transfers can include SWIFT, FUNDS, CHIPS, National Automated Clearinghouse Association (NACHES) formatted transfers, or other electronic or wire transfer platform. ***Lawrence clearly is not directed to, and even more clearly does not provide a teaching or suggestion of coupling FEDWIRE transfers with these other types of transfers to provide guaranteed funding of funds transfers from the U.S. to non-U.S. entities.***

Further, the Examiner asserts at p. 6, first paragraph of the Office Action that the financial institutions mentioned in Lawrence include "any insured bank", and that such an "insured bank" is indicative of Applicants' claimed self-funding/guaranteed transactions. Applicants traverse this mischaracterization by implicating insured banks with self-funded/guaranteed wire transactions.

The Examiner continues to conflate insured banks with self-funded, guaranteed electronic wire transfers. As discussed in detail in previous responses and during the recent Examiner Interview, the concept of insured banks (e.g., those with FDIC insurance) is completely distinct from a self-funding wire transfer system under the control of a central

banking authority, i.e., Applicants' recitation of "wherein said guaranteed, self-funding of the foreign financial transaction payment comprises both the Receiver Financial Institution and the Client Bank being members of the domestic settlement funds transfer system in which said members are required to: (1) have funds for the foreign financial transaction payment available in the domestic settlement funds transfer system, and (2) settle transactions daily initiated using the domestic settlement funds transfer system, wherein said deficiencies in said self-funding of the foreign financial transaction payment are prevented by domestic settlement funds transfer system insurance procedures of a central banking authority that controls the domestic settlement funds transfer system."

Further, the Examiner equates Applicants' claimed analyzing that includes identifying any necessary intermediary and processing institutions required to process the

The Examiner admits that Lawrence is deficient with respect to providing a teaching or suggestion of providing guaranteed, self-funding of the transaction to the Receiver Financial Institution, and asserts that Barbara makes up for this admitted deficiency. Applicants traverse this characterization, particularly with respect to independent claims 1 and 13, as amended.

2. Barbara

According to its Abstract, Barbara is purportedly directed to a method and system for on-line payments that makes use of computer hardware and software and utilizes, for example, a payment engine that facilitates the making of payments via the Internet. A user enrolls for the on-line payments service, designates a source account for the on-line payments, and is provided a transaction account as a money deposit account with an account number that the user can use as a source and a destination of funds and with one or more service levels. The user can make, for example, on-line payments, on-line and/or off-line purchases, cash withdrawals at an ATM, credit card account payments, bill payments, and/or international payments with funds in the transaction account and/or a line of credit associated with the transaction account. A quick enrollment aspect of the on-line payments services pre-qualifies the customers of a third party on-line service provider, such as an ISP, for the service. A funds transfer capability aspect provides, for example, an instant availability of funds for the customer.

However, Applicants note that any "self-funding" taught or suggested by Barbara *does not provide guaranteed, final and irrevocable self-funding of the transaction to the Receiver Financial Institution that prevents any deficiencies in the self-funding*, as presently claimed.

B. Specific Deficiencies of the Applied Art with Respect to the Claims

1. Independent Claim 1

The applied art does not disclose a computer-implemented method for processing a foreign financial transaction payment to a foreign financial transaction beneficiary located in a foreign country, wherein the method includes, *inter alia*, "receiving, in one or more computer processors at a Receiver Financial Institution, *a single authorizing foreign financial transaction payment instruction from a Client Bank over a computer network in a format associated with a domestic settlement funds transfer system used for funding domestic credit transfer transactions that provides guaranteed transaction self-funding of the foreign financial transaction payment to the Receiver Financial Institution, said guaranteed transaction self-funding ensuring against deficiencies in the self-funding*; analyzing, by the one or more computer processors, the received single authorizing foreign financial transaction payment instruction, *wherein said analyzing comprises identifying any necessary intermediary and processing financial institutions required to process the foreign financial transaction payment to the foreign financial transaction beneficiary*; and responsive to said analyzing, generating, in the one or more computer processors, foreign financial transaction payment instructions for at least one financial institution located in the foreign country and transmitting the foreign financial transaction payment instructions over the computer network, *the foreign financial transaction payment instructions including data in a funds transfer messaging service format that is compatible with both the Receiver Financial Institution and the at least one financial institution, wherein said guaranteed, self-funding of the foreign financial transaction payment comprises both the Receiver Financial Institution and the Client Bank being members of the domestic settlement funds transfer system in which said members are required to: (1) have funds for the foreign financial transaction payment available in the domestic settlement funds transfer system, and (2) settle transactions daily initiated using the domestic settlement funds transfer system, wherein said deficiencies in said self-funding of the foreign financial transaction payment are prevented by domestic settlement funds transfer system insurance*

procedures of a central banking authority that controls the domestic settlement funds transfer system," as recited in independent claim 1, as amended (*emphasis* added).

2. Independent Claim 13

The applied art does not disclose a system for processing a foreign financial transaction payment to a financial transaction beneficiary located in a foreign country, wherein the system includes, *inter alia*, "a computer network interface at a Receiver Financial Institution configured to receive *a single authorizing foreign payment instruction from a Client Bank in a format associated with a domestic settlement funds transfer system used for funding domestic credit transfer transactions and that provides guaranteed transaction self-funding of the foreign financial transaction payment to the Receiver Financial Institution, said guaranteed transaction self-funding ensuring against deficiencies in the self-funding*; and at least one processor including software for analyzing the received single authorizing foreign payment instruction, wherein said analyzing comprises identifying any necessary intermediary and processing financial institutions required to process the foreign financial transaction payment to the foreign financial transaction beneficiary and, in response to said analyzing, generating foreign financial transaction payment instructions for at least one financial institution located in a foreign country, *the foreign financial transaction payment instructions including data in a domestic funds transfer messaging service format that is compatible with both the Receiver Financial Institution and the at least one financial institution, wherein said self-funding of the foreign transaction comprises both the Receiver Financial Institution and the Client Bank being members of the domestic settlement funds transfer system in which said members are required to: (1) have funds for the foreign financial transaction payment available in the domestic settlement funds transfer system, and (2) settle transactions daily that are initiated using the domestic settlement funds transfer system, and wherein said deficiencies in said self-funding of the foreign financial transaction payment funding amounts are prevented by domestic settlement funds transfer system insurance procedures of a central banking authority that controls the domestic settlement funds transfer system,"* as recited in independent claim 13, as amended (*emphasis* added).

Accordingly, since the applied art does not teach or suggest all the claimed limitations of the independent claims above, particularly the ***bold, italicized*** limitations highlighted above, reconsideration and allowance of independent claims 1 and 13 are respectfully requested.

In addition, dependent claims 2-3, 5, 7-12, 14-15 and 17-24 variously and ultimately depend from patentable independent claims 1 and 13, and are submitted as being allowable at least on that basis, without further recourse to the patentable features recited therein.

VI. Unpatentability Rejection of Claims 4 and 16 under 35 U.S.C. § 103(a) over Lawrence and Barbara in View of SWIFT.COM

Withdrawal of the rejection of claims 4 and 16 under 35 U.S.C. §103(a) as being unpatentable over Lawrence and Barbara in view of SWIFT.COM is requested. The deficiencies of Lawrence and Barbara been discussed above, particularly with respect to independent claims 1 and 13, as amended.

The Examiner admits that Lawrence and Barbara are deficient with respect to providing a teaching or suggestion of “foreign financial transaction payment instructions which comply with SWIFT MT 103 specifications (i.e. messaging standards),” and alleges that SWIFT.COM makes up for this admitted deficiency.

A. Discussion of SWIFT.COM and its Deficiencies

This non-patent literature reference is relied upon by the Examiner to provide a teaching of the SWIFT MT103 message. While the use of SWIFT MT103 is certainly acknowledged, SWIFT.COM, however, does not make up for the deficiencies of Lawrence discussed above with respect to the unpatentability rejection of independent claims 1 and 13, from which claims 4 and 16 respectively depend, as further discussed below.

In particular, SWIFT.COM does not teach or suggest receiving financial transaction payment instructions from a Client Bank in a format ***associated with a settlement funds transfer system that provides guaranteed self-funding of the transaction*** to a Receiver Financial Institution, as variously recited in independent claims 1 and 13, from claims 4 and 16 depend.

Since the combination of Lawrence/Barbara and SWIFT.COM do not teach or suggest all the claimed limitations of independent claims 1 and 13 (either before or after amendment) from which claims 4 and 16 respectively depend, reconsideration and allowance of claims 4 and 16 are respectfully requested.

VII. Unpatentability Rejection of Claim 25 under 35 U.S.C. § 103(a) over Lawrence and Barbara in View of Official Notice

Withdrawal of the rejection of claim 25 under 35 U.S.C. §103(a) as being unpatentable over Lawrence and Barbara in view of Official Notice is requested. Without agreeing with the propriety of the reliance upon "Official Notice" with respect to stopping processing for procedures that are non-compliant with government regulations,, claim 25 has been amended in a manner that is believed to clarify the recitations. The deficiencies of Lawrence and Barbara been discussed above, with respect to independent claims 1 and 13.

A. Specific Deficiencies of the Applied Art with Respect to the Claims

1. Independent Claim 25

The applied art does not disclose a computer-implemented method for processing a foreign payment to a financial transaction beneficiary located in a foreign country, wherein the method includes, *inter alia*., and in the order indicated "(a) receiving, in a computer system at a Receiver Financial Institution, ***a single authorizing foreign funds transfer instruction from a Client Bank in a format associated with a domestic settlement funds transfer system used for funding domestic credit transfer transactions and that provides guaranteed transaction self-funding of the foreign payment to the Receiver Financial Institution, said guaranteed transaction self-funding ensuring against deficiencies in the self-funding***; (b) ensuring compliance of the single authorizing foreign funds transfer instruction with one or more government requirements; (c) if the single authorizing foreign funds transfer instruction is compliant with the one or more government requirements, ensuring, via the computer system, that any required data fields in the single authorizing foreign funds transfer instruction meets all data requirements of the domestic settlement funds transfer system, otherwise, ending processing of the funds transfer instruction; (d) if the single authorizing foreign funds transfer instruction meets said data requirements, crediting an account of the client bank established for foreign payments with an amount

associated with the single authorizing foreign funds transfer instruction, otherwise, ending processing of the single authorizing foreign funds transfer instruction and generating an error message in response thereto; (e) *after steps (c) and (d) have been carried out and, responsive to the single authorizing foreign funds transfer instructions meeting said data requirements, generating, in the computer system, foreign financial transaction payment instructions for at least one financial institution located in a foreign country, said generating comprising identifying any necessary intermediary and processing financial institutions required to process the foreign financial transaction payment instructions; and (f) transmitting the foreign financial payment instructions over a computer network, the foreign financial payment instructions including data in a domestic funds transfer messaging service format that is compatible with both the Receiver Financial Institution and the at least one financial institution, wherein said domestic settlement funds transfer system requires that both the Receiver Financial Institution and the Client Bank are members of the domestic settlement funds transfer system in which said members are required to: (1) have funds for the foreign payment available in the domestic settlement funds transfer system, and (2) settle foreign transactions daily that are initiated using the system, and wherein said deficiencies in foreign funding amounts are prevented by domestic settlement funds transfer system insurance procedures of a central banking authority that controls the domestic settlement funds transfer system,*" as recited in independent claim 25, as amended (*emphasis added*).

Accordingly, since the applied art does not teach or suggest all the claimed limitations of independent claim 25 above, particularly the ***bold, italicized*** limitations highlighted above, reconsideration and allowance of independent claim 25 are respectfully requested.

VIII. Conclusion

All rejections having been addressed, Applicant submits that each of pending claims 1-5 and 7-25 in the present application is in immediate condition for allowance.

As mentioned above, a personal interview with Examiner Baird, his supervisor, Charles Kyle, the Undersigned Attorney, and Mr. Jack Barufka, Esq., Attorney for Applicant, is requested to be scheduled during the week of 14 March 2011. The Undersigned Attorney will call Examiner Baird to arrange a follow-on interview to reach agreement on allowable subject matter.

For any fees that may be due during the pendency of this application, including fees for extensions of time, please charge Deposit Account Number 03-3975 under Order No. 201818-0307164 from which the Undersigned Attorney is authorized to draw. The Commissioner for Patents is also authorized to credit any over payments to the above-referenced Deposit Account.

Date: 1 March 2011

Respectfully submitted,

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Attachment: Petition for 1-Month Extension of Time